

CITY OF SAN JOSE
OFFICE OF THE CITY AUDITOR
Procedure No. M-26

INDEPENDENT REPORT REVIEW

Purpose

To ascertain that every statement of fact in the audit report is supported by audit evidence documented in the audit workpapers and that opinions and conclusions are logical and consistent.

Background

The Independent Report Review is a critical quality control element in audit report processing. The reviewer's job is to examine the report's logic and facts. The reviewer is expected to verify every statement of fact by tracing it back to the supporting workpapers. The workpapers should reflect the details of the evidence and disclose how it was obtained.

Procedure

Supervising Auditor and City Auditor	1. Assign an auditor who was not involved in the audit project's fieldwork and report preparation to be the Independent Report Reviewer.
Audit Staff	2. At the conclusion of the audit fieldwork, complete the audit workpapers. Ascertain that the workpapers provide adequate support to the audit work performed and the audit evidence gathered during the audit. For statements of fact, reference the audit report draft to the audit workpapers by noting the workpaper number on the page margin next to each line. For statements of opinion or conclusion, write "OPINION" or "CONCLUSION" on the page margin next to the statement.
Independent Report Reviewer	3. Review the report's conceptual structure, spelling, grammar, and punctuation. Verify that facts flow logically into conclusions and recommendations. Trace every statement of fact to the supporting workpaper, including dates, numbers, percentages, computations, titles, proper names, quotes, and legal citations. If the statement of fact, opinion, or conclusion is acceptable, place a tickmark above the item. Write all questions or comments in a Workpaper Review Sheet. Write a comment reference number next to each questioned item.
Audit Staff	4. Respond in writing (in the space provided in the Workpaper Review Sheet) to the Independent Report Reviewer's comments and questions. Make changes to the workpapers as necessary.
Independent Report Reviewer	5. Review the audit staff's responses to the Workpaper Review comments. Cross out all comments or questions that are resolved.
Audit Staff	6. File the Workpaper Review Sheets in the audit workpapers.